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《Chinese version please refer to page 1》

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Policy and Regulations

President promulgatesVirtual Asset Service Act

To establish a sound regulatory framework, implement effective oversight of the financial and business operations of virtual asset service providers (VASPs) and of market conduct in the virtual asset industry, and promote the sound development of financial technology and VASPs while advancing the issuance of stablecoins, the FSC drafted the Virtual Asset Service Act with reference to international regulatory standards. The Legislative Yuan passed the act on June 30, 2026, and it was promulgated by the president on July 22. The Executive Yuan will determine the effective date of the act's implementation. The FSC will continue to formulate supporting regulations and communicate with relevant associations and stakeholders to solicit input, with a view to refining the overall legal framework.

FSC amends "Regulations Governing Fraud Crime Hazard Prevention by Financial Institutions and Businesses or Personnel Providing Virtual Asset Services"

On July 20, 2026, the FSC promulgated the amended "Regulations Governing Fraud Crime Hazard Prevention by Financial Institutions and Businesses or Personnel Providing Virtual Asset Services." Key amendments include establishing a cross-industry information inquiry mechanism between financial institutions and virtual asset service providers (VASP), enhancing regulatory framework for cross-institutional fraud prevention platforms, strengthening cross-industry cooperation on preventing fraud, and improving the mechanism for returning remaining virtual assets to victims. Such measures will enhance the effectiveness of fraud prevention and protect the property rights of victims of fraud crimes.

FSC issues "Reference Guidelines for Post-Quantum Cryptography Migration of the Financial Industry" to help financial institutions enhance quantum risk preparedness

To help financial institutions address the cybersecurity risks arising from quantum computing technology, the FSC issued the "Reference Guidelines for Post-Quantum Cryptography Migration of the Financial Industry" on June 18, 2026. These guidelines will serve as a reference for financial institutions preparing for post-quantum cryptography migration by outlining key planning priorities and suggestions regarding governance mechanisms, cryptographic asset inventory, crypto-agility, ecosystem collaboration, risk prioritization, supply chain management, and testing and transition, enabling financial institutions to prepare for migration in a risk-based and phased manner.

The FSC stated that it would continue to review its implementation schedule and refine the guidelines as needed based on technological advancements both domestically and internationally, evolving standards, and industry practices. Through pilot testing, experience sharing, and ecosystem collaboration, the FSC will help the financial industry to align with international trends.

FSC permits insurance industry to invest in strategic industries included in the Ten New AI Initiatives Promotion Plan, relaxes investment limits for domestic private equity funds

To encourage the insurance industry to invest in domestic infrastructure and real-economy sectors, the FSC revised interpretations concerning the "Regulations Governing Use of Insurer's Funds in Special Projects, Public Investments and Social Welfare Enterprises" on June 16, 2026. Key amendments include permitting the insurance industry to invest directly in, invest through private equity funds in, or lend to strategic industries encouraged under the Ten New AI Initiatives Promotion Plan and recognized as such by the competent authorities. This will expand the scope of fund utilization. Moreover, the FSC raised investment limits on insurance companies investing in domestic private equity funds that have qualification letters issued by the National Development Council from 20 to 25 percent of the total issued shares or paid-in capital of the investee. This will enhance fund utilization efficiency and make allocation more flexible while encouraging investment in public infrastructure and domestic industry.

FSC issues interpretation of Subparagraph 6 of Paragraph 3 of Article 8 of the "Regulations Governing Foreign Investments by Insurance Companies"

On June 16, 2026, the FSC issued an interpretation clarifying that the Ten New AI Initiatives Promotion Plan and other promotional plans approved by the Executive Yuan fall within the scope of private equity funds that have applied for and obtained qualifications under the National Development Council "Directions for Guiding and Managing Private Equity Fund Investments in Industries," as referred to in Item 2-2, Subparagraph 6, Paragraph 3, Article 8 of the "Regulations Governing Foreign Investments by Insurance Companies."

FSC issues interpretation of Item 6 of Paragraph 1 of Article 3 of the "Regulations Governing Use of Insurer's Funds in Special Projects, Public Investments, and Social Welfare Enterprises"

On June 17, 2026, the FSC issued an interpretation providing that where an insurance company invests in real estate for public construction projects as specified in Item 6, Paragraph 1, Article 8 of the "Act for Promotion of Private Participation in Infrastructure Projects," namely, "In accordance with government policies, where private organizations provide their own privately owned land for investment in and construction of public construction projects, retain ownership thereof, and operate the projects themselves or entrust a third party to operate them," the cost of the land may be included in the total investment amount and be subject to a lower coefficient, provided that the FSC approves the investment and an investment contract is signed with the authority in charge. This aims to increase the incentive for insurance companies to participate in public construction projects.

Green investment and financing surpass NT$5 trillion; FSC continues to promote green and transition finance development

The Green and Transition Finance Action Plan has yielded significant results, with the total amount of green investment and financing by financial institutions reaching NT$5.3 trillion. To further expand the scale of green funds, the FSC lowered the risk coefficient for insurance companies' investments in domestic infrastructure, sustainable enterprises, and the Five Trusted Industry Sectors in February 2026. In April, the FSC launched the Green Stock Designations, with the first group of certified companies expected to be announced in December. This will further enhance market recognition and guide more capital toward green investments. Furthermore, also in April, the Joint Credit Information Center officially made available physical risk data from the Climate Change Risk Assessment for Business developed by the Center for Sustainability Science at Academia Sinica. This data will help financial institutions identify physical climate risks such as flooding and drought and enhance their climate risk management and decision-making capabilities.

FSC revises Article 18-1 of the "Standards Governing the Establishment of Commercial Banks"

To help internet-only banks meet both operational and development needs, make their shareholders more diverse, enhance their capital base, and innovate digital financial services, the FSC issued revisions to Article 18-1 of the "Standards Governing the Establishment of Commercial Banks" on June 30, 2026. The revisions stipulate that after an internet-only bank has been in operation for three years, the requirement on the total shareholding ratio for financial industry shareholders will be relaxed. The regulation governing the number of professional directors will be adjusted accordingly.

FSC issues order concerning Paragraph 3 of Article 3 of the "Regulations Governing the Operation of Securities Introducing Broker Business by Futures Commission Merchants" to expandthe scope of entrusted transactions for futures commission merchants offering securities introducing broker services

The scope of transactions securities introducing brokers may accept from investors was previously limited to TWSE- and TPEx-listed stocks (including margin trading), emerging stock trading, public offerings, and foreign securities trading. To permit such brokers to provide clients with a one-stop investment option for securities trading and to meet a need for a single channel offering cross-market strategy portfolio trading and risk management, the FSC issued Order No. 1150343879 on June 15, 2026, expanding the scope of entrusted transactions that securities introducing brokers may accept from TWSE- and TPEx-listed stocks to include all securities (including margin trading) listed on the Taiwan Stock Exchange and the Taipei Exchange.

FSC continues to promote the 21st edition of the Program to Encourage Lending by Domestic Banks to Small and Medium Enterprises in 2026

To help SMEs obtain working capital, the FSC is continuing to promote the Program to Encourage Lending by Domestic Banks to Small and Medium Enterprises in 2026. Now in its 21st edition, the program set a target of NT$500 billion in annual increase in outstanding loans and offered incentives to banks that show an outstanding track record in making such loans. The program ensures risk control while encouraging banks to provide SMEs with needed funds. The program creates a favorable financing environment for SMEs while enhancing the overall competitiveness and economic development. The program was submitted to the Executive Yuan for recordation on June 3, 2026.

International Exchanges

Marshall Islands Minister of Foreign Affairs and Trade visits the FSC

A delegation led by the Hon. Kalani R. Kaneko, Minister of Foreign Affairs and Trade of the Republic of the Marshall Islands, paid a visit to the FSC on July 2, 2026. The delegation was warmly received by FSC Vice Chairperson Chuang Hsou-yuan, and the two sides engaged in a broad exchange of views on issues of mutual interest.

Investor and Consumer Protection

FSC reminds the public to verify recipients' names when transferring funds as a defense against fraud

The FSC supervised the creation of a transfer account name display mechanism by the Financial Information Service Co., Ltd. and the Bankers Association of the Republic of China. The program launched at the end of September 2025. Since then, when funds are transferred via ATM, online, or mobile banking, the system displays a portion of the recipient's name (e.g., "Wang ○ Ming") after an account number is entered. This helps senders verify recipients, prevent erroneous fund transfers, and reduce the risk of fraud. The FSC reminds the public that it will not contact individuals via LINE, SMS, or social media, nor will it request them to hand over bank cards, passbooks, verification fees, or security deposits. When in doubt, call the 165 anti-fraud hotline for verification.

2026 Financial Literacy Campaign for the Campus and Community

The FSC's 2026 Financial Literacy Campaign for Campuses and Communities program, in association with school groups, held a total of 510 activities from January through July at organizations, schools, and groups, including the Genyang Indigenous Village Sustainable Development Association in Yilan County attended by 29,994 people. The free program has proven popular since its inception in 2006. As of the end of 2025, a total of 10,053 events had been held and over 1.3 million people had attended. The target participants include students at all levels, communities, women's groups, indigenous people, immigrants, military personnel, correctional institutions, social welfare groups, senior citizens' groups, police, firefighters, coast guard personnel, and taxi drivers.

The FSC Banking Bureau will continue to promote financial literacy in 2026. Interested schools or groups are welcome to apply online or call (02) 8968-9712.

Industry Updates

FSC approves E.SUN Financial Holding Co., Ltd.'s acquisition of a 100 percent equity stake in Mercuries Life Insurance Co., Ltd. by share exchange

The FSC has granted approval for the application by E.SUN Financial Holding Co., Ltd. (hereinafter referred to as "E.SUN Financial Holding") to acquire a 100 percent equity stake in Mercuries Life Insurance Co., Ltd. (hereinafter referred to as "Mercuries Life") through a share exchange transaction. The application was submitted in accordance with Article 26 of the Financial Holding Company Act, Article 139-1 of the Insurance Act, and relevant provisions of the "Regulations Governing A Same Person or Same Concerned Party Holding the Issued Shares with Voting Rights over a Particular Ratio of an Insurance Enterprise." The application was reviewed and found in compliance with relevant regulations. E.SUN Financial Holding has submitted a written commitment that the rights and interests of Mercuries Life's policyholders will not be affected by the transaction and that policyholder services will continue without interruption.

FSC approves Bank of Taiwan, Taiwan Business Bank, and Far Eastern International Commercial Bank to provide products and services to high-asset clients

The FSC approved three banks—Bank of Taiwan, Taiwan Business Bank, and Far Eastern International Commercial Bank—to conduct high-asset business. The three banks have all submitted plans regarding their investment in talent development and allocation, product research and development, and investment risk management for clients, as well as information concerning related resources and information systems. They have also enhanced the supervisory and managerial responsibilities of their respective boards of directors as well as the accountability mechanism for senior management via responsibility maps. This will cultivate a sound corporate culture while ensuring fair treatment of customers and good corporate governance. Including these three banks, the FSC has now approved 24 banks to conduct this business.

FSC Chairperson holds three in-person meetings with fintech startups to hear their suggestions and promote fintech development

To deepen engagement and dialogue with fintech startups, the FSC recently held three "FSC Chairperson Meets with Fintech Startups" sessions. Led by FSC Chairperson Peng Jin-lung, representatives from the FSC's relevant bureaus and departments engaged in face-to-face discussions with representatives from 29 fintech startups to hear about their innovative achievements and suggestions.

The FSC will continue to adopt an open mind and work with industry players to address challenges, seek solutions, and jointly build a secure, efficient, and innovative financial ecosystem that promotes the sustainable development of Taiwan's fintech sector.

FSC permits expanded eNotice services to include capital increase in cash share issuances

To help securities operators move toward the digitalization of stock services, the FSC supervised the Taiwan Depository & Clearing Corporation in establishing an eNotice platform. The platform provides notifications on dividend distributions and ETF income distributions. On April 21, 2026, approval was given for the platform to also include capital increase in cash share issuances within the scope of electronic notification. The changes took effect on July 24. The FSC stated that it would continue to promote the expansion of electronic stock services so as to create a convenient, environmentally friendly digital environment and help companies achieve energy conservation, carbon reduction, and sustainable development goals.

NPLs at domestic banks as of the end of June 2026

Unit: NT$1 billion / percentage points

	End June 2026	End May 2026	Increase/Decrease
Total outstanding loans	47,813	47,354	Increased by 460 billion
NPL ratio	0.14%	0.14%	-
Coverage Ratio	939.51%	919.81%	Increased by 19.7 percentage points

As of the end of June 2026, there were 38 domestic banks in Taiwan, and their asset quality continuously remained manageable as seen in the above figures. The FSC will require banks to undertake measures to improve their asset quality and financial structure on an ongoing basis.

NPLs at credit cooperatives as of the end of June 2026

Unit: NT$1 billion / percentage points

	End June 2026	End May 2026	Increase/Decrease
NPLs	0.85	0.87	Decreased by NT$ 0.02 billion
NPL ratio	0.12%	0.13%	Decreased by 0.01 percentage points
Coverage Ratio	1,991.51%	1,949.97%	Increased by 41.54 percentage points

As of the end of June 2026, there were 23 credit cooperatives in Taiwan, and their asset quality continuously remained manageable as seen in the above figures. The FSC will require credit cooperatives to undertake measures to improve asset quality and financial structure on an ongoing basis.

Net purchases and sales of listed stocks by foreign and mainland China investors, as well as inflows and outflows of funds

1. Net foreign and mainland China investment in listed shares

Unit: NT$1 billion

Through end June 2026		TWSE-listed shares	TPEx-listed shares
Foreign Investors	Bought	41,259.44	7940.77
	Sold	42,084.17	7954.05
	Net bought (sold)	(824.74)	(13.28)
Mainland China investors	Bought	10.15	1.47
	Sold	7.49	1.76
	Net bought (sold)	2.66	(0.29)
Total		(822.08)	(13.56)

2. Cumulative net (outward) inward remittances by foreign and mainland China investors

Unit: US$1 billion

	End June 2026	End May 2026	Increase (Decrease)
Cumulative net (outward) inward remittances from offshore foreign institutional investors and foreign individual investors	396.77	385.14	11.63
Cumulative net (outward) inward remittances from mainland China investors	0.17	0.17	0.00
Total	396.94	385.31	11.63

Sales statistics of foreign-currency-denominated products by life insurance industry as of the end of April 2026

Unit: NT$1 billion

	End Apr. 2026	End Apr. 2025	Increase (Decrease)
Investment-linked insurance	35.04	19.27	82%
Traditional life insurance	155.93	105.68	48%
New-policy premium income (total)	190.97	124.95	53%

Major Penalties

FSC imposes an administrative penalty on CTBC Bank for deficiencies involving a former employee's misappropriation of ATM Settlement funds and FISC settlement funds

The misappropriation of ATM settlement funds and Financial Information Service Co., Ltd. (FISC) settlement funds by a former employee of CTBC Bank revealed deficiencies in the bank’s internal control system, indicating a failure to adequately establish and effectively implement such a system. This was in violation of Paragraph 1 of Article 45-1 of the Banking Act. The FSC has imposed a fine of NT$4 million on the bank in accordance with Subparagraph 7of Article 129 of the Banking Act.

FSC imposes administrative penalty on Hua Nan Commercial Bank for misappropriation of customer funds and unauthorized retention of surplus settlement funds

Violations of Paragraph 1 of Article 45-1 of the Banking Act were found in the case of a former employee of Hua Nan Commercial Bank misappropriating customer funds and unauthorized retention of surplus settlement funds. The FSC has imposed a fine of NT$8 million on the bank in accordance with Subparagraph 7 of Article 129 of the Banking Act.